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Experiments With the Single Tax in Western Canada

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Experiments with the Single Tax in Western Canada

DURING the last few years it has been customary to point to the rapid advance in the amount of building permits issued each year in Vancouver as proof of the great material benefits to be derived from the exemption of improvements, the so-called "single tax." From 1895 to 1905, 50 per cent. of improvements were exempt from taxation; from 1906 to 1909, 75 per cent., and since 1910 all have been exempt. In the last year of the first period (1905) the permits issued totalled $2,653,000. From 1906 to 1909 they rose from $4,308,410 to $7,258,563. In 1910, when the exemption was made complete, the value of permits issued jumped up to $13,150,365, and thereafter by leaps and bounds—in 1911, $17,652,642, and in 1912, $19,388,322.

The rate of increase was certainly phenomenal. With each reduction in the assessment of "improvements," the volume of permits increased considerably. Finally the assessment of improvements was abandoned altogether in 1910, and in 1912 the largest grand total in the history of the city was reached. The "single taxers," of course, could not overlook the opportunity; they would not have been human had they done so. At last, proof positive of the magical effectiveness of single tax had been secured, and Vancouver's prosperity was trumpeted near and far. The great recipe for progress had been found, and all other cities were exhorted to follow Vancouver's example and speedily attain to unlimited prosperity.

There can be no question that for a time the great majority of the people of Vancouver associated single tax and their city's progress as cause and effect. Other British Columbia cities quickly followed her example. Victoria, the political capital of the province, which had exempted 25 per cent. of improvements from 1894 to 1896, and 50

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per cent. from 1896 to 1911, ceased to assess improvements in 1911.

The contagion spread to the Province of Alberta, adjoining British Columbia on the east, and also to the Province of Saskatchewan, Alberta's next-door neighbor. Medicine Hat reduced its assessment of improvements approximately 30 per cent. per annum till the exemption became complete in 1912. Lethbridge exempted 33 per cent. of buildings in 1912 and 66 per cent. in 1913 and since. Calgary, which had assessed improvements at 80 per cent. in 1910, reduced the assessment to 50 per cent. in 1911 and to 25 per cent. in 1912 and since. Edmonton, which, strange to say, is seldom referred to by "single taxers," had exempted improvements since 1905 and could do no more.

Similarly in Saskatchewan, Regina, the capital city, reduced the assessment of improvements from 60 per cent. in 1910 to 45 per cent. in 1911 and to 30 per cent. in 1912. Saskatoon and North Battleford did the same. Prince Albert reduced to 15 per cent., Moose Jaw to 45 per cent., Weyburn to 30 per cent., and Swift Current to 15 per cent.

These changes ended in almost every case in spectacular disaster. Vancouver's building permits, which had increased with such rapidity until the climax in 1912 was represented by $19,388,322, suffered a collapse in 1913, when they fell to $10,423,197, a decrease of nearly 50 per cent., and a further fall this year, the total permits aggregating till the end of July $2,973,335; so that the permits for the year will not exceed half what they were in 1913, and quarter of the value for 1912. In Victoria, similarly, the permits fell from $8,208,155 in 1912 to $4,037,992 in 1913—less than one-half—and to $1,572,190 to the end of May this year, so that the permits for this year, as in the case of Vancouver, will not exceed a quarter of what they were in 1912. Similarly, New Westminster's permits for 1912 were $1,634,518, and for 1913, $958,975, a decrease of $675,543.

In Alberta, Calgary dropped from $20,394,220 in 1912 to $8,619,653 in 1913, a reduction of much more than a half, and to $1,644,100 to the end of June this year, or for the year less than one-sixth of the total for 1912. Edmonton fell from $14,446,819 in 1912 to $9,242,450 in 1913; Lethbridge from $1,358,250 in 1912 to $504,954 in 1913, and $296,965 to the end of June, 1914; Macleod fell from $220,000 in 1912 to $175,000 in 1913, a decrease of 20.4 per cent.; Medicine Hat appears to be the only exception, permits mounting from $2,798,764 in 1912 to $3,850,082 in 1913.

The Province of Saskatchewan tells the same story. Regina permits fell from $8,047,309 in 1912 to $4,018,350 in 1913, a decrease of more than half, and to $1,355,120 for the first six months this year, so that they will probably not exceed one-half the permits for 1913, and one-quarter of the value for 1912. Moose Jaw, 1912, $5,275,797; 1913, $4,538,470, a fall of 19 per cent.; up to July, 1914, the total has been only $407,300. Saskatoon fell from $7,640,530 in 1912 to $4,453,845 in 1913, and $301,950 to the end of June this year, and will probably not exceed one-eighth of the value for 1912. Prince Albert dropped from $2,008,000 in 1912 to $1,380,390 in 1913, and $144,365 to the end of June, 1914. They will not reach an eighth of the record figure for 1912. North Battleford has decreased also, though the figures are small. The figures for Weyburn are for 1912, $726,660; 1913, $175,005, a decrease of 77 per cent.

If the argument of the "single taxers" based on prosperity proves the excellence of the single tax, surely the argument from adversity must prove the opposite. And the decrease in values under the exemption of improvements, it will be noted, has been sharper and greater in volume than the increase, in most cases.

As this tremendous falling off in building values has followed so closely on the heels of partial or total exemption of improvements in the three provinces of Western

Canada, it beeomes interesting to inquire into the eonditions in the other portions of Canada, where the magie effects of single tax have not yet been called into being. If the exemption of improvements contributes in any degree to the rapid upbuilding of eities, we will naturally look for a greater falling off in building aetivity throughout the old line eities of Canada than in the three western provinces. Winnipeg, the capital of Manitoba, Saskatehewan's next-door neighbor, secured legislation in 1909 to exempt improvements to the extent of one-third of their value, but as she had previously in praetiee assessed only 75 per cent., the change was not notieeable. Besides, Winnipeg imposes a business tax which this year amounted to $438,363, as well as land and improvement taxes. The rate of deerease in building operations should, therefore, have been mueh more marked in Winnipeg than in the eities of the three western provinces. Her permits, however, whieh were $20,475,350 in 1912, fell only to $18,357,150 in 1913, while for seven months this year they are $8,522,200, and may reach $17,000,000 for the year. Toronto's new buildings in 1912 represented $27,401,761; in 1913, $27,038,624. Montreal's for 1912 amounted to $19,641,955; in 1913, $27,032,097. St. John, N.B., 1912 permits, $500,000; 1913, $2,500,000, an inerease of 400 per eent. Fort William, 1912, $3,746,565; 1913, $4,029,965. Port Arthur's fell from $2,494,179 in 1912 to $1,935,680 in 1913. A permit for the new government elevator, costing $1,500,000, was issued in Deeember, 1912. Had it been issued the following month, the figures would have been: 1912, $994,179; 1913, $3,435,680, an inerease in favor of 1913 of over 300 per cent. The work was, of eourse, done in 1913. Brantford's permits represent a small amount in any case, and 1913 showed permits for $1,015,886 as against 1912, $1,167,105.

I have not seen all the reeords for the first six months of the present year, but have no reason to doubt the following editorial statement in the last issue of "The

Contract Record'': ''Glancing over the record of building in the forty-three cities of the Dominion, we find that constructional activity during the last six months has been on the increase in eighteen cities, the most noticeable increases having been recorded at Winnipeg, Medicine Hat, St. Thomas, St. Catharines, Berlin, Quebec, Maisonneuve and Halifax.'' It will be observed that of all these cities, the only one enjoying exemption of improvements is Medicine Hat, which keeps up its record for 1913. All the others belong to the old-fashioned lot, and have not yet experienced ''single tax magic.'' Owing to its unlimited stores of natural gas, its 900 acres of industrial sites, ''The town that was born lucky,'' as Kipling calls it, thrives independently of all taxation methods.

Bank clearings also are pointed to by ''single taxers'' as an indication of the beneficial effects of exempting improvements. A comparison of the bank clearings of the cities of the three western provinces for 1912 and 1913 cannot lend much encouragement to that school of economists. The following are the figures for the two years:

	1912	1913
Vancouver	$645,118,877	$606,899,710
Victoria	183,544,238	176,977,074
Calgary	275,492,303	247,882,848
Edmonton	220,727,617	213,053,318
Lethbridge	33,485,947	28,893,476
Saskatoon	115,898,467	96,034,717
Moose Jaw	65,136,326	61,370,943
Regina	115,727,648	132,087,457

Vancouver showed a loss of over thirty-eight millions, Victoria over six millions, Calgary over twenty-six, Edmonton over seven, Lethbridge over four, Saskatoon over nineteen, Moose Jaw nearly four. Regina alone showed a gain.

Turn now to the old-fashioned cities which have not

adopted any "single tax methods. The following nearly all showed increases over 1912:

	1912	1913
Toronto	$2,159,230,376	$2,181,281,577
Winnipeg	1,537,817,524	1,634,977,237
Halifax, N.S.	100,467,672	105,623,769
Hamilton	167,551,697	186,107,853
Quebec	158,760,185	165,654,745
London	84,526,961	90,720,202
Brantford	30,749,317	32,697,443
Fort William	40,503,087	49,265,358
Montreal	2,844,368,426	2,880,029,101
Ottawa	244,173,451	207,667,006
St. John, N.B.	88,969,218	82,665,827
Brandon	32,875,875	32,186,498

All the cities in the three western provinces which enjoy more or less exemption of improvements, with one exeeption, showed losses in bank elearings, while all the eities in the rest of Canada, with only four exeeptions, showed gains, the Winnipeg increase alone amounting to almost a hundred million.

The eomparison might be eontinued along many other lines indieating business aetivity or the opposite, as for instanee, eustoms reeeipts, inland revenue returns, land registrations and a dozen others, but it ean be taken for granted that all would tell the same story. The exemption of improvements from taxation has entirely failed to realize the elaim made for it. It has not promoted prosperity. It has not even saved the situation. So long as building permits rose by leaps and bounds there were many ready to believe that all was owing to the "magie" of single tax. It required but slight finaneial pressure to show how absurd was the pretense and to bring us back to earth. When the three western provinces of Canada were at the height of their prosperity, all the rest of Canada was enjoying great prosperity. A great tide of business aetivity passed over the Dominion from 1909 to 1912,

reaching its highest level in 1912. In 1913 the first signs of the ebb became visible, and now we are at low-water mark. In this condition of depression, when we would gladly avail ourselves of anything that would improve the situation, it is startling to find that where improvements are wholly or partially exempt, the decline in building activity has been far greater than in the cities which have not been injected with single-tax "magic."

Single tax is certainly not a friend in need. Has it any effect whatever during a period of prosperity? In January, 1912, when this question was under discussion, I had occasion to write to the press as follows: "It may also be readily admitted that the removal of taxes on improvements must have stimulated building activity. It stands to reason that if a capitalist is allowed to construct a mammoth office or apartment building or hotel on a lot or two and divide it into one to three hundred suites of rooms or offices, thus multiplying his earning power on the same ground space one or three hundred times without increasing his taxes one cent, he is not going to object to the arrangement. It will be popular so far as he is concerned, and he will go ahead and build. Other capitalists will do likewise, and before long all the banks, insurance companies, professional offices and financial institutions will help to swell the rent rolls of skyscrapers that are not taxed." Professor Charles J. Bullock, who has recently investigated this phase of the question at Vancouver, admits that "a partial or total exemption of buildings might give a temporary fillip to building construction." But is the stimulus a healthy one? Is it advisable during boom conditions to increase the prevailing excitement and encourage a tendency already overstimulated? Is it not better, on the contrary, to apply the brakes before it is too late? An assessment commissioner of great experience, who is also a member of this association, has put the matter this way: "Neither do I think that the so-called single tax can be beneficial by increasing the per capita production of houses. Moderately high

rents are much to be preferred, I think, to over-supply of buildings, and the consequent waste of capital and labor, and certainly indicate a more healthy economic condition. About the worst calamity that can befall a city is to find itself greatly over-built.'' With this opinion we will probably all agree. I could instance many owners of apartment houses and office blocks in cities where improvements are exempted whose assent at the present time would be so emphatic as to be almost fierce. I have before me figures showing the extent to which some of the most recent, as well as some of the oldest structures in single-tax cities, are occupied, but say nothing with regard to them except that those who have been induced by exemption from taxation to rush up costly structures for which there is at present no adequate demand, have every reason to heap anything but blessings on the devoted heads of all ''single-tax'' boomsters.

Another claim put forward in favor of the system is that it is peculiarly favorable to the poorer man, and those less able to bear the common burden. To what extent will this claim bear investigation? The assessment value of buildings, in Vancouver, for 1914 is $76,199,743. On all these millions no taxes will be paid. To what extent does this exemption benefit the poor and the rich man respectively? An analysis of building permits should provide the answer. From January to October, inclusive, 1913, they were as follows: Permits for (1) rooming houses, $1,216,179; (2) factories and warehouses, $1,833,008; (3) offices and stores, $5,249,996; (4) private houses, $1,589,257. The first three classes will have to be credited to the well-to-do section of our population. They aggregate $8,299,183. Of the $1,589,-257 expended on private houses, let us assume that two-thirds of the total was expended by the wealthier classes. I make this assumption more confidently, because I have submitted it to the building inspector of the city, who declares it to be correct. If it is correct, $529,752 was

expended on dwellings by the poorer classes and $1,059,504 by the well-to-do. The total exempted from taxation, therefore, would be $9,988,440, of which the poor man's total exemption would be $529,752. In other words, about seventeen-eighteenths of the exemption is in favor of the wealthier classes, and one-eighteenth in favor of those not so well provided. Applying this ratio to the total exemptions of buildings for 1914 we find that while the poorer man is exempted on $4,234,209 improvements, the wealthier classes escape taxation on $71,981,574. Let us carry the comparison still farther, using the same ratio. The system of totally exempting buildings from taxation has been in vogue since 1910. The grand aggregate of "improvements" exempted since then amounts to $267,172,837. Out of this grand aggregate the poorer man secured exemption on $14,842,935.38 in buildings, while the exemption of the wealthier classes amounted to $242,329,897.62! This system of taxation is called the poor man's boon! We hear nothing about the rich man's boon.

Do not imagine that the actual facts have entirely escaped the attention of the workingman. In June of this year a delegation of the Trades and Labor Council of Vancouver, consisting of the president, vice-president and chairman of the parliamentary committee, gave evidence before the high cost of living commissioners sent out by the Federal Government to conduct inquiries. The vice-president, Mr. McVety, was asked if the Vancouver system of single tax had been of benefit to the laboring classes. His reply was that the single-tax system did the working class no good for it fell relatively harder on the poor man, whose property is not improved or if improved, is but slightly so. Wages here had remained the same, he said, and from the laboring man's standpoint single tax had not been of benefit.

With particular reference to the exemption of skyscrapers it is sometimes argued by single-tax organs that the land on which a skyscraper is built is much more valuable than the building, while the workingman's build-

ing, as a general thing, costs much more than the lot on which it stands. The exemption of buildings would, therefore, be more in his interest than the exemption of the land. Unfortunately for the argument, it is based on false premises. To begin with, skyscrapers are as a rule more valuable than the land on which they are placed. Take the assessment of six of the principal blocks in Vancouver:

Block	Improvements	Land
Burns Block	$650,000	$150,000
Birks Block	600,000	137,500
Rogers Block	580,000	287,000
Metropolitan Block	300,000	118,000
Winch Block	340,000	157,000
Canada Life Block	225,000	107,400
	$2,695,000	$956,900

These are representative instances, and they clearly prove the reverse of the contention. The "improvements" in these six instances are assessed at, not less than, but at nearly three times as much as the land. An examination of the assessment of all the other skyscrapers in the city will give about the same results. The inference is that the rich owner of "improvements" escapes taxation on about two-thirds of his property, and is taxed on one-third, instead of being taxed two-thirds and exempt on one-third. Nor is the other half of the premises correct. A workman's house is sometimes more valuable than his lot, but often the lot is the more valuable of the two. In any case where would the workingman's condition be improved by the city exempting his paltry hundreds invested in buildings against many millions? The assessment value of buildings in Vancouver for 1914 is $76,199,743. At 20.44 mills on the dollar this would yield to the city $1,709,922, or more than half the total taxes for 1914, which amounted to $3,209,-470, and considerably more than $1,490,926, the total general taxes (that is, less school and sinking fund levies). What, then, becomes of the contention that the working-

man would be taxed more if the millions now exempt were required to pay their share, or some portion of it? How can it be said that his taxes would be increased if the great bulk of them were taken off his back and placed on the broad shoulders where they belong?

The case was succintly put in another form by Mr. James Scott, of Winnipeg, in a Vancouver interview:

"What you want here," said Mr. Scott, "is for your working men to get homes of their own and to have a permanent interest in the city. Now let us take the man who owns a $500 lot in the outskirts of the city. In many cases he will be in a district where there is an absence of permanent improvements and having to put up with a two or three-plank sidewalk, rough graded streets and many other inconveniences. If he builds he will probably, as is generally the case, put up a house of the value of his lot, namely $500, or perhaps even less. Under these circumstances and under the single tax system he gets off his assessment $500.

"Now let us look at the rich man. Supposing by way of example he buys a $20,000 lot in a more favored part of the city where he has permanent streets, boulevards and every convenience at hand. On this property then he erects a $100,000 residence. What does he get? Under the single-tax system he gets $100,000 off his assessment or just five times the amount his lot cost. Compare this with the case of the poor man and you will see how it works."

By way of further illustration, Mr. Scott might have pointed out that his rich man, for whom the costly improvements of the city have been provided, receives just two hundred times the exemption enjoyed by his working friend, or, in other words, two hundred workingmen's houses would receive no more from the exemption of improvements than one rich man's house. And yet we are told that the exemption of improvements is very much to be desired in the interests of the poorer classes of the community.

The city where the greatest number of workmen own their homes should be the paramount aim of municipal administration. The old adage reads, "Rent a man a garden and he will convert it into a desert, give him a desert and he will convert it into a garden." Improvement and ownership go hand in hand. Ownership breeds steadiness of purpose, spreads content and stimulates development. While single taxers claim to have the betterment of the working classes especially in view, it can easily be demonstrated that the exemption of improvements bears heavily on the small lot-owner, and is a menace to the home. First let us understand who pays the taxes under the system of exempting improvements. An influential Vancouver journal, *The Province,* last month contained the following statement:

"A tabulation of Vancouver's taxes shows that for the last ten years the rate for each person in the city has grown from $11.56 net to $28.88, with an increase in the tax rate itself of 4 per cent. in that time. The population has grown from 38,414 to 114,220, but the revenue from direct taxation from $409,351 to $3,209,444. This would evidently show that the assessment of taxable property has grown faster than the population. It adds: "If the usual 25 per cent. of the property-owners defer their payments until September 15, the rate of taxation per capita will amount for them to no less than $32.20."

The Province considers this condition alarming. It should, however, have carried the inquiry further. Under the system of exempting improvements only land-owners contribute to the city's exchequer, and land-owners are but a fraction of the population. As a matter of fact there are only 23,870 taxpayers in Vancouver entitled to vote on money bylaws as land-owners, and of these a great many are repeaters, so that all the taxes are contributed, not by 114,220 persons, but by less than 22,000. The per capita tax is, therefore, not $28.88, or a possible $32.20, but more than five times that amount, or $144.40, say, if all taxes are met at maturity. One-fifth of the entire population pay

all the net general taxes, amounting this year to $3,209,-470. Four-fifths do not contribute a dollar, and the workingman who happens to be a lot owner, helps to shoulder the burden of the 92,000 non-contributors. His condition is even worse, as in the net general taxes are not included water rates, electric lighting, sprinkling taxes or local improvement taxes, the charge for the last-named amounting to $501,743 for the present year. To some, or perhaps all of these, he may have to contribute in addition. Nor do these facts exhaust the unfairness of the situation; if he has bought his lot, but has not yet managed to build his house, he must contribute as his part of the net general tax to the cost of police protection, though his lot cannot be stolen or destroyed, and to fire protection, though it cannot be burned or even singed, while the skyscraper enjoys both without expending a cent. The value of those privileges which the owner of the skyscraper enjoys and does not pay for, and which the lot-owner pays for but does not enjoy, is very considerable. Last year the expenditure of the fire and light committee was $413,516.74, and of the police committee, $397,928.59, the two together making $811,445,330. Fire towers and a harbor fire boat are also spoken of as probable purchases, the latter to cost $125,000. These, too, will no doubt be charged to the lot-owner, who does not require them, while the improvements which alone need their protection will go scot free.

The same is necessarily the case in all of the other so-called single-tax cities. According to the last Dominion census (1911) Victoria has a population of 31,660, and the number of taxpayers within the city proper is estimated to be 8,759. Greater Victoria, including parts of Esquimalt, Saanich and Oak Bay municipalities, is said to contain 60,000, and the proportion of taxpayers in the larger area is probably about the same. Edmonton's population as of May this year is 72,000, of which 23,000 are taxpayers, and so on.

Driven from his defences, one by one, the so-called single taxer finally takes refuge in what he calls the

justice of taxing the unearned increment. To those with socialistic leanings this argument appeals with great force. "This man possesses something which is not the product of his own manual toil. The value of his land has been increased, not by him, but by the community. Therefore it is unearned increment. Therefore take it away." This is the slogan of the socialist, and in practice seems to be a favorite proceeding in cities where improvements are exempted from taxation. How otherwise are we to account for the action of so many cities in increasing their land assessment in 1913 and 1914, when building activity had so seriously fallen off, bank clearings had decreased, and land sales are almost unknown? Do these facts indicate a rise in land values? Yet we find Vancouver, with her permits falling one-half in 1913, and half of that again in 1914, and with a shrinkage of her population from 122,100 to 114,220 in the same time, rushing up her real estate assessment from $138,557,595 in 1912 to $144,974,-525 in 1913 and $150,456,660 this year. In the same period (1912-13) Victoria's assessment has increased from $71,670,770 to $89,130,150, Calgary's from $102,260,915 to $120,801,558, Edmonton's from $123,475,070 to $188,539,-110, Lethbridge's from $9,978,245 to $14,389,075, Regina's from $55,026,608 to $72,502,630, and Prince Albert from $17,205,447 to $29,195,723. Moose Jaw was honest, and reduced her assessment from $52,987,417 in 1913 to $41,322,355 in 1914 because, as I am officially informed, "of the conditions existing throughout the West during the present time." So far as I have discovered, Moose Jaw is alone in this display of business honesty. That the real estate in any one of these cities had increased in value in the meantime could not be contended for a moment. In all cases great decreases have occurred. A taxation system under which assessments increase when values have notoriously fallen, and which can only be carried out by a deliberate process of false reckoning, has not much to recommend it.

As was to be expected, there are already many signs of distress in consequence. Taxes in arrears in Vancouver have mounted up from $265,019.90 in 1911 to $510,136.12 in 1912, and $728,695.22 in 1913; in Victoria, from $72,271.64 to $127,087.61 in 1913, and $261,368.72 this year; in Lethbridge, from $55,774.06 in 1912 to $114,940.34 in 1913; in Medicine Hat, from $26,246.30 in 1912 to $76,210.71 in 1913; in Prince Albert, from $66,265.29 to $142,999.21 in the same period; in Saskatoon from $92,914.97 to $212,594.70, and in Edmonton from $208,-174.60 in 1911 to $447,506.16 in 1912 and $1,082,745.59 in 1913. In many cases not only has the assessment been increased, but the tax rate has also been advanced very considerably in 1913 over 1912; Edmonton from 12 mills in 1912 to 16 in 1913, Victoria from 17.74 in 1913 to 20 in 1914, Vancouver from 20 to 22.44, Calgary from 12½ to 18¾ and 20.75 for 1914, Moose Jaw from 10 4-5 in 1912 to 17½ in 1914, and Lethbridge from 22 to 27 and 32 for 1914. Not only is the increment taxed, but the decrement is treated as increment and taxed at a higher rate than the increment was. The breaking point will soon be reached in the predatory game. In fact, in some instances it has arrived already.

Four great principles of taxation were formulated by Adam Smith, approved by John Stuart Mill, and subsequent political economists of note, and are regarded as axiomatic. The first is that taxation shall be equal: "1, The subjects of every state ought to contribute to the support of the Government, as nearly as possible in proportion to their respective abilities; that is, in proportion to the revenue which they respectively enjoy under the protection of the state. In the observation of neglect of this maxim consists what is called the equality or inequality of taxation." A greater gulf than that which yawns between this famous principle and so-called single tax cannot be imagined.

Everyone receives some benefit from civic government, and owes some contribution, small though it may be. But

under the so-called single tax only one citizen in five, in the case I have cited, pays for the civic upkeep, while four in five escape the burden altogether. Twenty-two thousand pay the way for 114,220, and 92,000 comfortably escape all responsibility. What could be more outrageously unfair? But that is not all. In distributing the tax over the few who shoulder the whole burden, most unjust discrimination is shown. The man with the vacant lot receives no revenue from its possession. He may be out of pocket for various items that go to the cost of upkeep. His neighbor with an equal area and capital enough to build a sixteen-storey skyscraper pays the same tax although his capital enables him to multiply his area by sixteen and his earning power accordingly. If there is unearned increment and community-made value in the ground floor, there is community-made value and unearned increment in every storey of the structure. Can there be any doubt about this? The price of the land will be the same to the purchaser who proposes to place a one-storey building on it as to the purchaser who intends to erect sixteen storeys. Every advantage of position and neighborhood, which adds to the value of the land, adds independently to the value of every storey of the building. The same bricks and mortar produce ten times more revenue in one locality than they can earn in another. In each case the materials used and the industry exerted is the same. The difference is community-made, is unearned increment. Place the same sixteen storeys on the peak of Grouse Mountain and they would be worth less than nothing—worth their whole cost less than nothing. Is not the value of each storey, therefore, community-made, just as the value of land is said to be community-made? If so, is it not unearned increment? If so, what valid reason can be advanced by the single taxer why "improvements" should not be taxed?

But if community-made values are to be the source of all taxes, why should land bear the whole brunt of civic taxation? Mr. Carnegie disposed of the Carnegie Steel

Company to the late J. P. Morgan for $500,000,000. How much of that vast sum was the product of Mr. Carnegie's industry, and how much of it was community-made value? How much of the fortunes of the Rothschilds, the Rockefellers, the Astors, the Vanderbilts, the Morgans, the Harrimans and hundreds of others was community-made? Even if it were all community-made, if it were all unearned increment, only a very small fraction proceeded from speculation in land. At this point then "single tax" hopelessly breaks down. While professing to be levied on community-made values it overlooks all community-made values save one; it spares the millionaires and billionaires, who have made the vast fortunes of the world in steel shares, oil shares, railway securities, bank stocks and the hundred other forms of investment and speculation on a huge scale, and saddles all civic expense on the land-owners, who constitute a mere fraction of the community, and whose profits are infinitessimal compared with those of the bigger interests. A system of taxation based on community-made values must tax all community-made values. The selection of a small group to carry the whole burden is arbitrary and unjust; it is legalized robbery.

F. C. Wade.

NOTES

WINNIPEG—Land assessed at fair actual value; buildings at 66 2-3 per cent.; business at 6 2-3 per cent., based on the actual annual rental value. Besides general taxes, local improvement charges and the business tax, which are the three main sources of revenue, there are, of course, licences, fines, rentals, fees, water rates, etc.

VANCOUVER—Land assessed at actual value; improvements exempt. Tax rate, 22.44 mills. There are local improvement taxes for pavements, sewers, cement walks, street sprinkling and ornamental lighting. There are also water rates, liquor license fees, scavengering fees, incinerator fees, electrical inspection fees, street railway percentages, cemetery fees and Provincial Government fees.

VICTORIA—In Victoria, the political capital, land is taxed but improvements are exempt. There are also frontage taxes for sewers, water works, boulevard maintenance and cluster light maintenance. A certain amount of revenue is derived from liquor and trade licences, road taxes and other sources, which, according to the amount received, regulates the rate levied on land. In addition to all other rates and taxes, special assessments are levied for the repayment of local improvement expenditures.

CALGARY—Land assessed 100 per cent., buildings 25 per cent., personal property 66 2-3 per cent; incomes exempt. Tax rate, 20.75 mills. Taxes, including poll tax and interest for 1913, were $2,296,545.11. The total revenue, including general taxes, electric light and power, water and street railway receipts and other sources, $4,567,165.95. Expenditures, $4,284,874.48.

REGINA—Land is assessed at actual value and improvements at 30 per cent. The average city share in local improvements is in the case of sidewalks, 25 per cent.; concrete walks, asphalt and bitulithic pavements, 38 per cent.; while sewers and water mains are a uniform fixed charge on the property immediately served. There are, of course, the usual licences and fees in connection with the water system, etc.

Edmonton—Up to and including 1904 improvements were assessed. Up to and including 1910 income tax was levied. Up to and including 1911 business tax was levied. Years 1912, '13 and '14 give assessment of amalgamated cities of Edmonton and Strathcona. Tax rate, 16 mills.

Lethbridge—City has power to levy taxes on land, buildings and personal property with certain exceptions, the assessable property being merchants' stocks, fixtures and plants of factories, also income over $1,000. In 1912 33 per cent. of the assessment of buildings was exempted from taxation, and in 1913, 66 per cent. was exempted, and this 66 per cent. exemption has remained in force to present time. The school rate, 7.70 mills, is included in the tax rate, which for 1914 is 32 mills.

Moose Jaw—Land is assessed at actual value; improvements at 45 per cent. of actual value. The tax rate is 17½ mills. Business is assessed on a floor space basis.

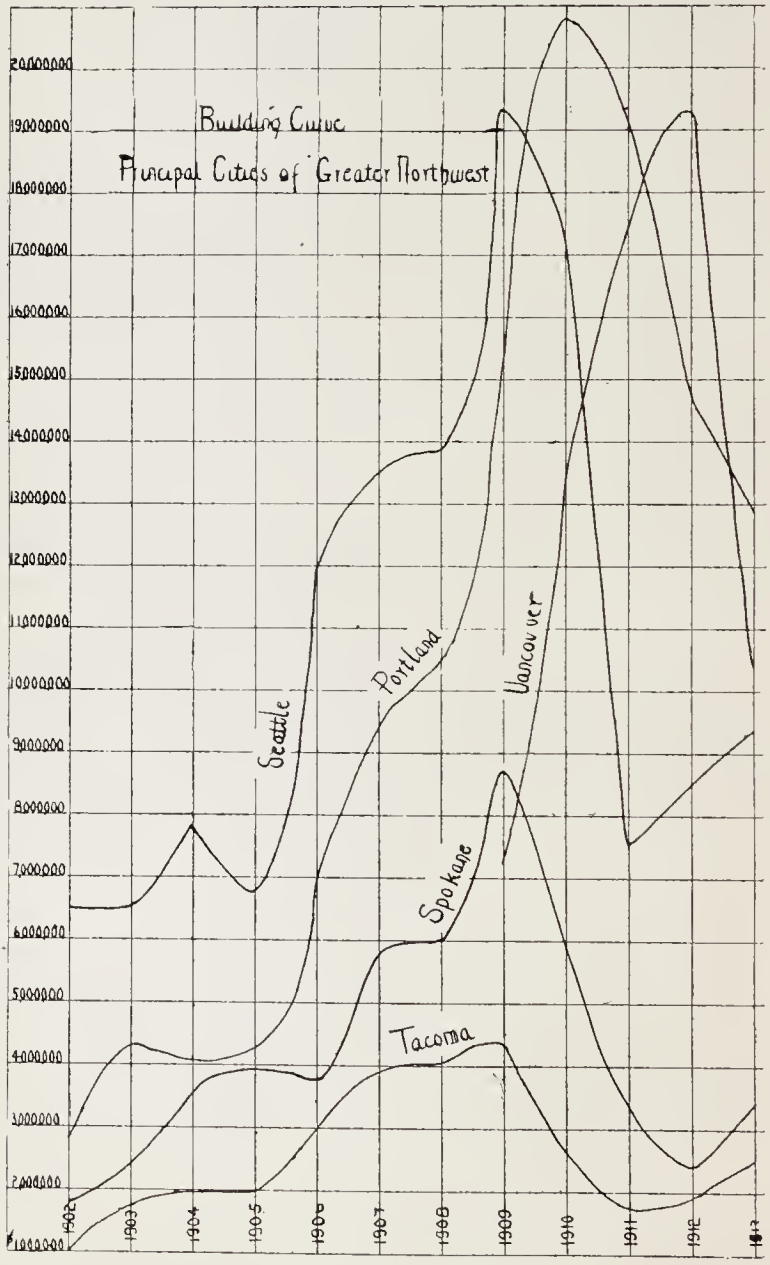
Saskatoon—Saskatoon imposes a tax of 17 11-10 mills on land, and on 25 per cent. of improvements. Total tax levy includes taxes on business, income and special franchises.

Medicine Hat—The reduction from general taxation to exemption of improvements covered a period of three years, at the rate of approximately 30 per cent. per annum.

Prince Albert—Land is assessed at its fair actual value and improvements last year at 15 per cent. of their value.

BUILDING CURVE FOR UNITED STATES WESTERN CITIES, 1902-1913

The following building curve, reproduced from the Pacific Builder and Engineer, of Seattle, is instructive as showing that the increase and decrease in volume of building permits has been as remarkable in the principal cities of the greater northwest of the United States as in those of Western Canada:



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